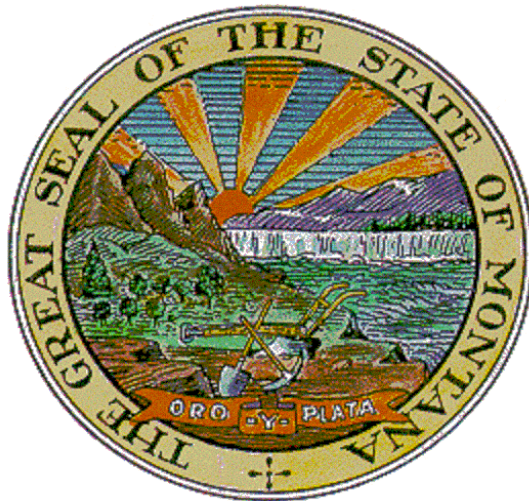


State of Montana  
Department of Labor and Industry  
Business Standards Division

BOARD STATUTES RELATING TO REAL ESTATE  
APPRAISERS



ISSUED BY:

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**TITLE 2  
CHAPTER 15  
PART 17**

**2-15-1758. Board of real estate appraisers.** (1) There is a board of real estate appraisers.

(2) The board consists of seven members appointed by the governor with the consent of the senate.

(3) Five members must be licensed or certified real estate appraisers, and two members must be representatives of the public who are not engaged in the occupation of real estate appraisal.

(4) A screening panel of the board, established pursuant to [37-1-307](#), must be composed of at least three members and shall include one member of the board who represents the public and is not engaged in the occupation of real estate appraisal. Any determination that a licensee has violated a statute or rule in a manner that justifies disciplinary proceedings must be concurred in by a majority of the members of the screening panel.

(5) Members shall serve staggered 3-year terms. A member may not serve for more than two consecutive terms.

(6) The board is allocated to the department for administrative purposes only, as prescribed in [2-15-121](#).

(7) A board member may be removed from the board by the governor for neglect or cause.

(8) The board shall meet at least once each calendar quarter to transact its business.

(9) The board shall elect a presiding officer from among its members.

(10) A board member must receive compensation and travel expenses, as provided in [37-1-133](#).

**History:** En. Sec. 3, Ch. 409, L. 1991; amd. Sec. 3, Ch. 492, L. 2001; Sec. , MCA 1999; redes. by Sec. 221(2), Ch. 483, L. 2001.

**TITLE 37  
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## **Chapter Cross-References**

Adoption and publication of rules, Title 2, ch. 4, part 3.

Appraisal -- property taxation, Title 15, ch. 7.

## **Part 1**

### **General**

**37-54-101. Short title.** This chapter may be cited as the "Real Estate Appraiser Licensing and Certification Act".

**History: En. Sec. 1, Ch. 409, L. 1991.**

**37-54-102. Definitions.** Terms commonly used in appraisal practice and as used in this chapter must be defined according to the Uniform Standards of Appraisal Practice, as issued by the appraisal foundation. As used in this chapter, unless the context requires otherwise, the following definitions apply:

(1) "Appraisal foundation" means the appraisal foundation incorporated as an Illinois not-for-profit corporation on November 30, 1987, pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, 12 U.S.C. 3310, et seq. The purposes of the appraisal foundation are to:

(a) establish and improve uniform appraisal standards by defining, issuing, and promoting those standards;

(b) establish appropriate criteria for the licensure and certification of qualified appraisers by defining, issuing, and promoting qualification criteria and disseminate the qualification criteria to states and other governmental entities; and

(c) develop or assist in the development of appropriate examinations for qualified appraisers.

(2) "Board" means the board of real estate appraisers provided for in 2-15-1758.

(3) "Certified real estate appraiser" means a person who develops and communicates real estate appraisals and who has a valid real estate appraisal certificate issued under 37-54-305.

(4) "Department" means the department of labor and industry provided for in 2-15-1701.

(5) "Licensed real estate appraisal trainee" means a person authorized only to assist a certified real estate appraiser in the performance of an appraisal assignment.

(6) "Licensed real estate appraiser" means a person who holds a current valid real estate appraiser license issued under 37-54-201.

**History:** En. Sec. 2, Ch. 409, L. 1991; amd. Sec. 27, Ch. 481, L. 1997; amd. Sec. 146, Ch. 483, L. 2001; amd. Sec. 1, Ch. 341, L. 2003.

**37-54-103 and 37-54-104 reserved.**

**37-54-105. Powers and duties of board.** The board shall:

- (1) adopt rules to implement and administer the provisions of this chapter;
- (2) establish and collect fees commensurate with the costs of processing an application for licensure and certification and renewal of a license or certificate;
- (3) establish minimum requirements for education, experience, and examination for licensure and certification as set out by the appraisal qualification board of the appraisal foundation;
- (4) prescribe the examinations for licensure or certification and determine the acceptable level of performance on examinations;
- (5) receive and review applications for licensure and certification and issue licenses and certificates;
- (6) review periodically the standards for development and communication of appraisals and adopt rules explaining and interpreting the standards;
- (7) retain all applications and other records submitted to it;
- (8) adopt by rule standards of professional appraisal practice in this state;
- (9) reprimand, suspend, revoke, or refuse to renew the license or certificate of a person who has violated the standards established for licensed and certified real estate appraisers; and
- (10) perform other duties necessary to implement this chapter.

**History:** En. Sec. 4, Ch. 409, L. 1991; amd. Sec. 109, Ch. 429, L. 1995; amd. Sec. 28, Ch. 481, L. 1997; amd. Sec. 8, Ch. 196, L. 2003.

**37-54-106 through 37-54-109 reserved.**

**37-54-110. Repealed.** Sec. 13, Ch. 375, L. 2003.

**History:** En. Sec. 26, Ch. 409, L. 1991.

**37-54-111. Certificate of good standing.** The board may issue a certificate of good standing to any licensed or certified real estate appraiser who holds a current valid license or certificate in this state.

**History:** En. Sec. 27, Ch. 409, L. 1991.

**37-54-112. Deposit of fees.** Fees collected by the board under this chapter must be deposited in the state special revenue fund for the use of the board, subject to 37-1-101(6), and may be used to pay the compensation of board members and other expenses necessary to administer this chapter.

**History: En. Sec. 22, Ch. 409, L. 1991.**

## **Part 2**

### **Licensure**

**37-54-201. Real estate appraiser license -- scope and display of license.** (1) Upon proof that an applicant meets the qualifications set out in 37-54-202, the board shall issue to the applicant a real estate appraiser license.

(2) The term "licensed real estate appraiser" may not be used to describe a firm, partnership, corporation, group, or anyone other than an individual licensee. However, a licensed real estate appraiser may engage in real estate appraisal as a professional corporation.

(3) This chapter does not preclude a person who is not a licensed or certified real estate appraiser from appraising real property for transactions not related to a federal agency or project for compensation if the person does not purport to be a licensed or certified real estate appraiser. A person who purports that the person or the person's company is licensed under this section or certified under 37-54-302 and 37-54-303 without possessing the applicable license or certificate is guilty of a misdemeanor.

(4) This section does not:

(a) prohibit a person who is licensed to practice in this state under any law from engaging in the practice for which the person is licensed;

(b) apply to public officials in the conduct of their official duties that are not governed by the rules established by the federal financial institutions examination council agencies.

(5) A licensed or certified real estate appraiser is subject to restrictions on the scope of practice, depending on the value and complexity of the federally related transaction or transactions pursuant to rules established by the federal financial institutions examination council agencies, and the restrictions must remain current with any changes in those rules.

(6) A licensed real estate appraiser shall conspicuously display the license in the appraiser's principal place of business.

**History: En. Sec. 5, Ch. 409, L. 1991; amd. Sec. 29, Ch. 481, L. 1997; amd. Sec. 9, Ch. 196, L. 2003.**

**37-54-202. Qualifications for licensure.** (1) To qualify for a real estate appraiser license, an applicant:

- (a) must be of good moral character;
- (b) shall successfully complete a course of study prescribed by the board;
- (c) must have the type and amount of experience in real estate appraisal prescribed by the board;
- (d) shall successfully complete an examination prescribed by the board; and
- (e) shall comply with any other requirements related to the practice of real estate appraisal as prescribed by the board by rule.

(2) To qualify for licensure as a real estate appraisal trainee, an applicant:

- (a) must be of good moral character;
- (b) shall successfully complete a course of study prescribed by the board;
- (c) shall provide a written acknowledgment from the certified real estate appraiser that the applicant will be assisting; and
- (d) is not required to take an examination.

**History:** En. Sec. 6, Ch. 409, L. 1991; amd. Sec. 30, Ch. 481, L. 1997; amd. Sec. 2, Ch. 341, L. 2003.

**37-54-203. Repealed.** Sec. 46, Ch. 481, L. 1997.

**History:** En. Sec. 7, Ch. 409, L. 1991.

**37-54-204 through 37-54-209 reserved.**

**37-54-210. Repealed.** Sec. 127, Ch. 467, L. 2005.

**History:** En. Sec. 8, Ch. 409, L. 1991; amd. Sec. 1, Ch. 81, L. 1993; amd. Sec. 110, Ch. 429, L. 1995; amd. Sec. 31, Ch. 481, L. 1997.

**37-54-211. Repealed.** Sec. 127, Ch. 467, L. 2005.

**History:** En. Sec. 9, Ch. 409, L. 1991; amd. Sec. 2, Ch. 81, L. 1993; amd. Sec. 111, Ch. 429, L. 1995; amd. Sec. 32, Ch. 481, L. 1997; amd. Sec. 51, Ch. 271, L. 2003.

**37-54-212. Temporary registration of certification and licensure of out-of-state appraisers.** (1) The board shall recognize on a temporary basis the certificate or license of an appraiser issued by another state if:

- (a) the appraiser's business in this state is of a temporary nature; and
- (b) the appraiser registers with the board.

(2) The out-of-state appraiser shall submit an application for temporary registration on a form prescribed by the board and pay the required fee. In addition, a letter of good standing or license history indicating that the applicant is currently in good

standing must be submitted directly to the board's office from the applicant's state of certification or licensure, or the board may obtain a national registry appraiser license history report.

(3) The temporary registration is valid only for a single appraisal assignment within this state. The temporary registration may be awarded for a 6-month period and renewed one time within the 12-month period following the original date on which the temporary registration was issued.

(4) A single appraisal assignment may include one or more properties under a single contract with a single client.

**History: En. Sec. 39, Ch. 492, L. 2001.**

### **Part 3**

#### **Certification**

**37-54-301. Certification -- use of term -- standards of practice.** (1) A person may not represent to the public that the person is a certified real estate appraiser unless the person is certified under this chapter.

(2) Only a certified real estate appraiser may prepare and sign a certified appraisal report relating to real estate or real property in this state. If an appraisal report is prepared, signed, and certified by a certified real estate appraiser, a person licensed under this chapter who assisted in the preparation of the appraisal may cosign the appraisal report.

(3) The term "certified real estate appraiser" may not be used to describe a firm, partnership, corporation, group, or anyone other than an individual certificate holder. However, a certified real estate appraiser may develop and communicate an appraisal on behalf of a firm, partnership, corporation, or group.

(4) Whenever an appraisal or appraiser report is identified by the certified real estate appraiser as "certified", the appraiser shall indicate in writing the class of certification the appraiser holds.

**History: En. Sec. 17, Ch. 409, L. 1991; amd. Sec. 33, Ch. 481, L. 1997.**

**37-54-302. Certification process -- fees.** (1) An application for certification, original certification, or renewal of certification must be made in writing to the board on forms approved by the board.

(2) A fee established by the board by rule must accompany the application.

(3) When an applicant files an application for original certification or renewal of certification, the applicant shall sign a pledge to comply with the standards of professional appraisal practice established for certified real estate appraisers under 37-



54-403 and affirm that the applicant understands the types of misconduct for which disciplinary action may be initiated under 37-1-308.

(4) To be eligible for original certification as a real estate appraiser, an applicant shall:

(a) specify the class or classes of certification for which the applicant is applying and provide evidence satisfactory to the board that the applicant has the education required for the class or classes of certification for which application is made; and

(b) pass an examination prescribed by the board.

(5) A certificate issued under 37-54-305 must bear the signatures or facsimile signatures of the members of the board and a certificate number assigned by the board.

**History:** En. Sec. 18, Ch. 409, L. 1991; amd. Sec. 112, Ch. 429, L. 1995; amd. Sec. 10, Ch. 196, L. 2003.

**37-54-303. Classes of certification -- education and experience requirements.** (1) A real estate appraiser may be certified in one or both of the following classes:

(a) general real estate, which relates to the appraisal of all types of real property;

(b) residential real estate, which relates to the appraisal of expensive or complex 1 to 4 family homes.

(2) The board shall adopt rules pertaining to real estate appraisal education and experience that are at least as stringent as those required for compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

**History:** En. Sec. 19, Ch. 409, L. 1991; amd. Sec. 3, Ch. 81, L. 1993.

**37-54-304. Repealed.** Sec. 28, Ch. 196, L. 2003.

**History:** En. Sec. 20, Ch. 409, L. 1991; amd. Sec. 4, Ch. 81, L. 1993; amd. Sec. 34, Ch. 481, L. 1997.

**37-54-305. Issuance and display of certificate.** (1) The board shall issue a certificate and a pocket card to a person who meets the requirements of 37-54-302 and 37-54-303.

(2) The certificate must include the dates of issuance and renewal of certification.

(3) A certified real estate appraiser shall conspicuously display the certificate in the appraiser's principal place of business.

(4) A certified real estate appraiser shall designate the class for which the appraiser is certified and place the certificate number on each appraisal report, contract, or other instrument that the appraiser uses in conducting real estate appraisal activities.

**History:** En. Sec. 21, Ch. 409, L. 1991; amd. Sec. 35, Ch. 481, L. 1997; amd. Sec. 11, Ch. 196, L. 2003.

**37-54-306 through 37-54-309 reserved.**

**37-54-310. Renewal of certificate.** (1) A certificate issued under 37-54-305 expires on the date set by department rule.

(2) A certificate may be renewed upon payment of a renewal fee and by meeting all requirements for renewal.

(3) An applicant for renewal shall state the class of certification previously held and presently sought.

**History:** En. Sec. 24, Ch. 409, L. 1991; amd. Sec. 5, Ch. 81, L. 1993; amd. Sec. 113, Ch. 429, L. 1995.

**37-54-311. Repealed.** Sec. 127, Ch. 467, L. 2005.

**History:** En. Sec. 25, Ch. 409, L. 1991; amd. Sec. 6, Ch. 81, L. 1993; amd. Sec. 114, Ch. 429, L. 1995; amd. Sec. 36, Ch. 481, L. 1997; amd. Sec. 52, Ch. 271, L. 2003.

## **Part 4**

### **Regulation of Practice**

**37-54-401. Repealed.** Sec. 128, Ch. 429, L. 1995.

**History:** En. Sec. 10, Ch. 409, L. 1991.

**37-54-402. Repealed.** Sec. 128, Ch. 429, L. 1995.

**History:** En. Sec. 14, Ch. 409, L. 1991.

**37-54-403. Standards of professional appraisal practice.** (1) A licensed or certified real estate appraiser shall comply with generally accepted standards of professional appraisal practice, evidenced by the uniform standards of professional appraisal practice promulgated by the appraisal standards board of the appraisal foundation. A licensed or certified real estate appraiser shall comply with these standards regardless of whether the appraisal is a federally related transaction or is capable of being performed by an unlicensed person under 37-54-201(3).

(2) If the appraisal standards board of the appraisal foundation modifies the standards or issues supplemental standards that it considers appropriate for all classes of real estate appraisers, the modification is automatically adopted as observable in this state unless the board determines that a public hearing is necessary to determine

whether the modified or supplemented standards must be observed in this state. If following the hearing the board determines that the modified or supplemented standards are appropriate, the board shall adopt the standards by rule.

**History:** En. Sec. 13, Ch. 409, L. 1991; amd. Sec. 7, Ch. 81, L. 1993; amd. Sec. 22, Ch. 230, L. 1999.

**37-54-404 and 37-54-405 reserved.**

**37-54-406. Repealed.** Sec. 128, Ch. 429, L. 1995.

**History:** En. Sec. 28, Ch. 409, L. 1991.

**37-54-407 through 37-54-410 reserved.**

**37-54-411. Classification of services.** (1) A client or employer may retain or employ a licensed or certified real estate appraiser to:

(a) act as a disinterested third party in rendering an unbiased analysis, opinion, conclusion, or estimate of value; or

(b) provide specialized appraisal services to facilitate the client's or employer's objectives.

(2) In either instance described in subsection (1), the appraisal and appraisal report must comply with the provisions of this chapter.

**History:** En. Sec. 16, Ch. 409, L. 1991.

**37-54-412. Collection of appraisal fees.** A person who performs independent appraisal services as a licensed or certified real estate appraiser in this state may not bring an action in any court in this state to collect compensation for the performance of those services unless he alleges and proves that he held a valid license or certificate at all times during the performance of those services.

**History:** En. Sec. 12, Ch. 409, L. 1991.

**37-54-413 and 37-54-414 reserved.**

**37-54-415. Place of business.** (1) A resident licensed or certified real estate appraiser shall maintain a principal place of business in this state. If the appraiser changes his principal place of business, he shall promptly notify the board in writing of the change. Upon receipt of notice of the change, the board shall issue a new license or certificate for the unexpired term, stating the principal place of business.

(2) A nonresident licensee is not required to maintain a place of business in this state if he maintains a principal place of business in his domicile state.

**History: En. Sec. 11, Ch. 409, L. 1991.**

**37-54-416. Retention of records.** (1) A licensed or certified real estate appraiser shall retain for 5 years from the date of submission of an appraisal report to a client:

(a) an original or true copy of any written contract engaging his services as an appraiser;

(b) an appraisal report prepared or signed by the licensed or certified real estate appraiser; and

(c) all supporting data assembled and formulated by the licensed or certified real estate appraiser in preparing the appraisal report.

(2) If a licensed or certified real estate appraiser is notified within this 5-year period that the appraisal report is involved in litigation, the appraiser shall retain the appraisal report for 5 years from the final date of disposition of the litigation.

(3) The licensed or certified real estate appraiser shall make available to the board at reasonable times, for inspection and copying, any appraisal report he is required to maintain under the provisions of this section.

**History: En. Sec. 15, Ch. 409, L. 1991.**

**37-54-417. Repealed.** Sec. 128, Ch. 429, L. 1995.

**History: En. Sec. 23, Ch. 409, L. 1991.**